

REPORTS ANALYSIS DIVISION REFERRAL

TO

OFFICE OF GENERAL COUNSEL

DATE: May 8, 2015

ANALYST: Paul Stoetzer

I. COMMITTEE:

House Conservatives Fund
C00326439
Lisa Lisker, Treasurer
228 S. Washington St., Ste. 115
Alexandria, VA 22314

II. RELEVANT STATUTE:

52 U.S.C. §30102(b) and (c)
52 U.S.C. §30104(b)
11 CFR §102.9
11 CFR §102.15
11 CFR §104.3

III. BACKGROUND:

Other Violations of the Federal Election Campaign Act (Unauthorized Use of Committee Funds)

House Conservatives Fund ("the Committee") filed its 2014 Year-End Report disclosing a partial restitution payment for unauthorized activity totaling \$7,210.00 (Attachment 2).

On December 2, 2014, Lisa Lisker, the Committee's Treasurer, called a Reports Analysis Division (RAD) Manager. Among other issues, Ms. Lisker identified the Committee as subject to an embezzlement case. She stated that the Committee received a restitution check and asked who to disclose the check from, the U.S. Treasury or the vendor. As the check originated with the U.S. Treasury, she was advised to disclose the check as being from the U.S. Treasury with memo text identifying the individual and explaining the situation. The RAD Manager also instructed Ms. Lisker to include a spreadsheet disclosing the original contributor information for the misappropriated funds (Attachment 3).

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On January 31, 2015, the Committee filed the 2014 Year-End Report covering the period from November 25, 2014 to December 31, 2014. The report disclosed one (1) receipt on Schedule A, supporting Line 17 (Other Federal Receipts) of the Detailed Summary Page totaling \$7,210.00 with a purpose of "Partial Payment-Diverted Funds-See memo" (Image 15970252972). The report also included memo text, which stated:

"The receipt disclosed on line 17 from the US Treasury is a partial repayment of funds diverted from the Committee by an outside vendor. The Committee will report the contributor detail when it is made available to the Committee by the investigating agencies" (Image 15970252966).

On April 7, 2015, Lisa Lisker, called the RAD Manager. Among other issues, Ms. Lisker stated that she would amend the Committee's 2014 Year-End Report to include the name of the embezzler when the next report was filed (Attachment 3).

On April 20, 2015, the Committee filed an Amended 2014 Year-End Report with no changes in receipts on Schedule A, supporting Line 17 (Image 15951189745, Attachment 2). However, the Committee did provide additional detail in memo text attached to the report, which stated:

"The receipt disclosed on line 17 from the US Treasury is a partial repayment of funds diverted from the Committee by an outside vendor, Stonewood Marketing, owner Ken Pate. The Committee will report the contributor detail when it is made available to the Committee by the investigating agencies" (Image 15951189739).

To date, no further communication has been received from the Committee regarding this matter.

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O-Index

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O-Index (2015-2016)													
Cmte. ID: C00326439 Cmte. Name: HOUSE CONSERVATIVES FUND													
Treasurer Name: LISKER, LISA Address: 228 S. WASHINGTON ST., STE. 115, ALEXANDRIA, VA 22314													
Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: D (LEADERSHIP PAC) Filing Frequency: MONTHLY FILER													
Form Tp	Rpt Tp	All	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts & Loans
MS-T			3/17/2015	1	15950874730								
F3XN	M2	N	2/19/2015	6	15950629230	1/1/2015	1/31/2015		\$93,371	\$6	\$1,389	\$92,387	\$0
F3XN	M3	N	3/19/2015	8	1595085482	2/1/2015	2/28/2015		\$92,387	\$10,350	\$26,991	\$75,746	\$0
F3XN	M4	N	4/20/2015	9	15951189773	3/1/2015	3/31/2015		\$75,746	\$25,512	\$6,802	\$94,456	\$0
F1A		A	1/31/2015	6	15950584100								
Totals										\$35,868	\$35,183		

O-Index (2013-2014)													
Cmte. ID: C00326439 Cmte. Name: HOUSE CONSERVATIVES FUND													
Treasurer Name: LISKER, LISA Address: 228 S. WASHINGTON ST., STE. 115, ALEXANDRIA, VA 22314													
Cmte. Type: Q (QUALIFIED NON-PARTY) Cmte. Designation: D (LEADERSHIP PAC) Filing Frequency: MONTHLY FILER													
Form Tp	Rpt Tp	All	Recpt Dt	Pgs	Begin Img#	Beg Cvg Dt	End Cvg Dt	Ltr Mail Dt	Begin Cash	Recpts	Disb	End Cash	Debts & Loans
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MS-T			8/12/2014	1	14970077294								
RQ2	M5	N	7/8/2014	4	14330054529	4/1/2014	4/30/2014	7/8/2014					
RQ2	12G	A	2/10/2015	2	15330074131	10/1/2014	10/15/2014	2/10/2015					
F3XN	M2	N	2/19/2013	9	13960954583	1/1/2013	1/31/2013		\$84,661	\$11,415	\$22,139	\$73,936	\$0
F3XN	M3	N	3/19/2013	9	13961186686	2/1/2013	2/28/2013		\$73,936	\$21,381	\$1,063	\$94,253	\$0
F3XN	M4	N	4/19/2013	13	13940606019	3/1/2013	3/31/2013		\$94,253	\$45,769	\$1,629	\$138,393	\$0
F3XA	M4	A	6/19/2013	14	13940924447	3/1/2013	3/31/2013		\$94,253	\$45,769	\$1,629	\$138,393	\$0
F3XN	M5	N	5/19/2013	10	13962484651	4/1/2013	4/30/2013		\$138,393	\$13,685	\$26,467	\$125,610	\$0
F3XN	M6	N	6/19/2013	11	13940924461	5/1/2013	5/31/2013		\$125,610	\$11,954	\$4,491	\$133,073	\$0
F3XN	M7	N	7/18/2013	16	13964106194	6/1/2013	6/30/2013		\$133,073	\$59,988	\$688	\$192,373	\$0
F3XN	M8	N	8/17/2013	11	13964527013	7/1/2013	7/31/2013		\$192,373	\$23,218	\$502	\$215,089	\$0
F3XN	M9	N	9/19/2013	11	13941607031	8/1/2013	8/31/2013		\$215,089	\$15,968	\$66,618	\$164,439	\$0
F3XN	M10	N	10/18/2013	23	13964805420	9/1/2013	9/30/2013		\$164,439	\$66,943	\$45,804	\$185,578	\$0
F3XN	M11	N	11/19/2013	11	13942534242	10/1/2013	10/31/2013		\$185,578	\$24,465	\$375	\$209,667	\$0
F3XN	M12	N	12/19/2013	11	1394236076	11/1/2013	11/30/2013		\$209,667	\$9,037	\$30,393	\$100,311	\$0
F3XN	YF	N	1/30/2014	17	14960284556	12/1/2013	12/31/2013		\$180,311	\$43,116	\$45,396	\$178,032	\$0
F3XN	M2	N	2/19/2014	8	14940518918	1/1/2014	1/31/2014		\$178,032	\$5,173	\$2,724	\$180,480	\$0
F3XN	M3	N	3/19/2014	12	14960518059	2/1/2014	2/28/2014		\$180,480	\$37,614	\$21,100	\$196,994	\$0
F3XN	M4	N	4/18/2014	22	14940757848	3/1/2014	3/31/2014		\$196,994	\$99,100	\$53,407	\$232,603	\$0
F3XN	M5	N	5/20/2014	20	14941225610	4/1/2014	4/30/2014		\$232,603	\$68,571	\$45,152	\$256,113	\$0
F3XN	M6	N	6/18/2014	26	1496127617	5/1/2014	5/31/2014		\$256,113	\$93,590	\$35,523	\$314,180	\$0
F3XN	M7	N	7/18/2014	20	14941857651	6/1/2014	6/30/2014		\$314,180	\$30,828	\$132,527	\$212,481	\$0
F3XN	M8	N	8/19/2014	16	14970659224	7/1/2014	7/31/2014		\$212,481	\$5,178	\$91,475	\$126,184	\$0
F3XN	M9	N	9/19/2014	11	14970871954	8/1/2014	8/31/2014		\$126,184	\$12,394	\$19,751	\$118,828	\$5,315
F3XN	M10	N	10/20/2014	18	14951709275	9/1/2014	9/30/2014		\$118,828	\$29,060	\$74,481	\$73,406	\$0
F3XN	12G	N	10/23/2014	13	14952379482	10/1/2014	10/15/2014		\$73,406	\$24,977	\$21	\$98,362	\$0
F3XA	12G	A	1/31/2015	22	15950583920	10/1/2014	10/15/2014		\$73,406	\$39,720	\$3,389	\$109,737	\$0
F3XN	30G	N	12/4/2014	28	14952888764	10/16/2014	11/24/2014		\$98,362	\$49,264	\$51,215	\$96,411	\$0
F3XA	30G	A	1/31/2015	29	15950583942	10/16/2014	11/24/2014		\$109,737	\$47,236	\$53,814	\$103,159	\$0

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O-Index

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F3XN	YE	N	1/31/2015	15	15970252961	11/25/2014	12/31/2014		\$103,159	\$15,985	\$25,373	\$93,771	-	-	\$0
F3XA	YE	A	4/20/2015	15	15951189734	11/25/2014	12/31/2014		\$103,159	\$15,985	\$25,373	\$93,771	-	-	\$0
F1A		A	6/19/2013	5	13940924442				-	-	-	-	-	-	-
Totals										\$821,402	\$812,292				

O-Index (2011-2012)															
Cmte. Name: HOUSE CONSERVATIVES FUND															
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Form	Ip	Rpt	Tr	Al	Recpt	Dt	Pgs	Begin	Img#	Beg	Cvg	Dt	End	Cvg	Dt
MS-T															
RQ2	M9	N		N	1/29/2013	3	13330021285	8/1/2012		8/31/2012		1/29/2013			
RQ2	M10	N		N	2/13/2013	3	13330022857	9/1/2012		9/30/2012		2/13/2013			
RQ2	12G	N		N	2/13/2013	3	13330022860	10/1/2012		10/1/2012		2/13/2013			
RQ2	30G	N		N	2/13/2013	3	13330022991	10/18/2012		1/26/2012		2/13/2013			
F3XN	M2	N		N	2/18/2011	24	11990232319	1/1/2011		1/31/2011					
F3XN	M3	N		N	3/18/2011	32	11990312075	2/1/2011		2/28/2011					
F3XN	M4	N		N	4/19/2011	36	11931210361	3/1/2011		3/31/2011					
F3XN	M5	N		N	5/18/2011	24	11931477808	4/1/2011		4/30/2011					
F3XN	M6	N		N	6/17/2011	37	11931672514	5/1/2011		5/31/2011					
F3XN	M7	N		N	7/20/2011	45	11932018488	6/1/2011		6/30/2011					
F3XN	M8	N		N	8/18/2011	38	11932257730	7/1/2011		7/31/2011					
F3XN	M9	N		N	9/19/2011	50	11932436655	8/1/2011		8/31/2011					
F3XN	M10	N		N	10/19/2011	56	11952716629	9/1/2011		9/30/2011					
F3XN	M11	N		N	11/17/2011	49	11952875025	10/1/2011		10/31/2011					
F3XN	M12	N		N	12/19/2011	56	11952746189	11/1/2011		11/30/2011					
F3XN	YE	N		N	1/28/2012	46	12970160654	12/1/2011		12/31/2011					
F3XN	M2	N		N	2/18/2012	15	12950539872	1/1/2012		1/31/2012					
F3XN	M3	N		N	3/20/2012	38	12970757364	2/1/2012		2/29/2012					
F3XN	M4	N		N	4/20/2012	44	12971127530	3/1/2012		3/31/2012					
F3XN	M5	N		N	5/18/2012	33	12971239025	4/1/2012		4/30/2012					
F3XN	M6	N		N	6/20/2012	40	12952164995	5/1/2012		5/31/2012					
F3XA	M6	A		A	8/19/2012	41	12972044008	5/1/2012		5/31/2012					
F3XA	M6	A		A	10/19/2012	41	12960566356	5/1/2012		5/31/2012					
F3XN	M7	N		N	7/19/2012	54	12971705782	6/1/2012		6/30/2012					
F3XN	M8	N		N	8/19/2012	41	12972044049	7/1/2012		7/31/2012					
F3XN	M9	N		N	9/20/2012	74	12953032887	8/1/2012		8/31/2012					
F3XA	M9	A		A	3/13/2013	75	13961150447	8/1/2012		8/31/2012					
F3XN	M10	N		N	10/19/2012	88	12940328585	9/1/2012		9/30/2012					
F3XA	M10	A		A	3/19/2013	89	13961186209	9/1/2012		9/30/2012					
F3XN	12G	N		N	10/25/2012	82	12961012214	10/1/2012		10/1/2012					
F3XA	12G	A		A	3/19/2013	83	13961186390	10/1/2012		10/1/2012					
F3XN	30G	N		N	12/6/2012	97	12940858217	10/18/2012		11/26/2012					
F3XA	30G	A		A	3/19/2013	98	13961186567	10/18/2012		11/26/2012					
F3XN	YE	N		N	1/31/2013	20	13960584956	11/27/2012		12/31/2012					
F3XA	YE	A		A	3/19/2013	21	13961186665	11/27/2012		12/31/2012					
F1A		A		A	11/16/2011	4	11952785509								

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House Conservatives Fund (C00326439)

Restitution Payment Received

Amended 2014 Year-End Report, received 4/20/15 (Image 15951189745)

Name of Payer	Date	Amount	Purpose
US Treasury-KY	12/22/14	\$7,210.00	Partial Payment-Diverted Funds-See memo
Total Restitution Payment:		\$7,210.00	